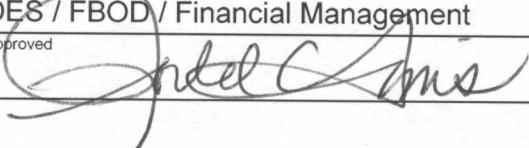




King County  
Administrative Policies and Procedures

General Administrative  
Policies & Procedures

Title		Document Code No.
Cash Handling and Receipting Procedures		FIN 15 – 3 (AEP)
Department/Issuing Agency		Effective Date. <b>DATE SIGNED</b>
DES / FBOD / Financial Management		8-21-04
Approved 		

- 1.0 SUBJECT TITLE: Cash Handling and Receipting Procedures
- 1.1 EFFECTIVE DATE: 10 Days after Executive approval.
- 1.2 TYPE OF ACTION: NEW. Implements cash handling and receipting procedures for King County.
- 1.3 KEY WORDS: (1) Administrative Policies and Procedures, (2) Cash, (3) Cash Handling, (4) Receipting, (5) Deposits, (6) Safeguard County Funds.
- 2.0 PURPOSE: To establish uniform procedures for cash handling and receipting at the County level.
- 3.0 ORGANIZATIONS AFFECTED: All King County Executive Departments, Offices, and Agencies.
- 4.0 REFERENCES:
- 4.1 RCW 36.29.010, General Duties, County Treasurer
- 4.2 RCW 43.09.185, Loss of Public Funds
- 4.3 RCW 43.09.240, Public Officers & Employees, Duty to Account and Report Deposits
- 4.4 RCW 40.14, Preservation and Destruction of Public Records
- 5.0 DEFINITIONS: "Funds" and "Receipts" mean currency, coin, check, money orders, etc.
- 6.0 POLICIES: It is the policy that all King County departments, offices, and agencies establish and maintain cash handling and receipting procedures for the purpose of:
- Determining accountability over receipt of public funds.
  - Supporting an internal control environment for all departments, offices, and agencies.
  - Ensuring effective safeguards are in place.
  - Ensuring appropriate cash handling and receipting goals are met, and state and King County code regulations are followed.
  - Establishing guidelines that ensure the integrity of compliance with King County business and financial reporting.
  - Ensuring appropriate action is taken when discrepancies or audit findings are identified.
  - Informing top management of critical cash issues that cross department lines and have broad impacts.

7.0 PROCEDURES: Action by Managers, Supervisors, or Fund Administrators.

7.1 Memo **Guidelines**

In order to protect County employees and safeguard County funds, Managers and Administrators should develop specific processes based on the following guidelines:

**Basic Process —**

- Receive funds, verify amounts, and verify that funds belong to the department.
- Any funds received must be deposited within 24 hours (RCW 36.29.010 and RCW 43.09.240). Note: Under certain circumstances a waiver may be obtained from the King County Finance Director.
- Restrictively endorse checks.
- Issue receipt, if appropriate.
- If log sheets are used, record funds in duplicate.
- Prepare deposit slip in duplicate. (1 copies for bank, 1 copy for agency records).
- Forward deposits to the bank daily.
- Reconcile deposits to bank statements and County fund accounts.
- Record journal over/shorts, deposit adjustments, losses, etc. in a timely manner.

**Receipting —**

- Cash/checks/coin should be recorded in a sequential number format. Each transaction should be logged in duplicate if using a receipt journal, or recorded in a point of sale system. Official King County receipts will be used (no "Redi-Forms").
- Offsite collections should be handled similarly to onsite collections.
- Any department/entity having accounts with collections must first verify if the customer is to pay the collection agency directly. Payment in full is required.
- Receipts should specify 'King County' and the appropriate department/agency name, and telephone number. Receipts are to be signed and dated by a County employee.
- Receipts will indicate mode of payment (cash, check, etc.).
- Receipts will include dollar amounts paid.
- Receipts will be legible.
- Void documents should be marked VOID and all parts saved in numerical sequence.
- Missing documents must be accounted for.
- Funds received that are not identifiable as belonging to your department should be reported directly to Accounts Receivable (**Admin. Building, Room 620**), or via e-mail (**Attention: Accounts Receivable Supervisor**).

Do not send funds through interoffice mail.

**Deposits —**

- Whenever possible, mail should be opened by two persons.
- Automated scanning devices may be used in place of one person.
- Bank deposits should be made by someone other than the cashier or bookkeeper.
- Responsible persons should be regular FTE employees (not volunteers or light duty).
- Employees should be properly trained; records of such training must be kept onsite.
- Whenever possible, receipts are to be received through a lockbox.
- Deposits are to be made only to authorized/approved bank accounts.

- Use tamper-proof bags.

**Documents:**

- Deposit logs should be in duplicate.
- Deposit tickets should be preprinted with agency/department's name and account number.
- Deposit tickets should be in duplicate.

**Timeliness —**

- Incoming cash (including currency, coins, checks) and equivalents must be deposited within 24 hours (RCW 36.29.010).
- If currency is received in the mail, count and verify the amount.
- Currency should be examined for legitimacy; counterfeits are not to be deposited.
- Remittances by mail are to be listed (using the deposit log) at the time the mail is opened.
- Upon receipt, checks should be restrictively endorsed "For Deposit Only."
- Do not accept foreign remittance tenders (currency and checks should be in US dollars; checks must be drawn on a US bank).
- Cash/checks should NOT be forwarded to another department via interoffice mail.
- Cashiers should not cash personal checks.

**Safekeeping and Security Access —**

- Funds should be held in a safe during the day.
- Unless absolutely necessary, cash receipts should not be held overnight. Deposits held overnight should be in a secure locked safe.
- A secure area for a safe must be provided/designated.
- Access to the secured area should be restricted.
- Secure area should be protected by the use of registers, safes, or locks (not a desk drawer).
- A limited number of keys, password locks, or safe combinations shall be issued and monitored by a designated Supervisor or Manager.
- The keys, password lock, or safe combination should be changed periodically and/or when employees leave. Supervisor or Manager will have the authority and control to do so.
- The secured area is to be locked when not occupied.

**Reconciliation —**

Over/short

- Shortages or overages should be investigated and corrected to the maximum extent possible, and signed off by the supervisor or authorized personnel.
- No personal funds or "slush" funds should be used to correct over/shorts.
- Any counterfeit currency identified by bank should be recorded as a shortage.

Loss

- Known loss, suspected loss, or theft should be reported immediately (RCW 43.09.185) to:
  1. The Department Supervisor.
  2. Manager of Executive Audit Services, who reports to the State Auditor.
- No records related to any suspected loss should be destroyed; records should be kept as documentation for a period of 6 years.

Logs

The duplicate deposit log should be compared to the actual deposit slip for any inconsistencies.

Reconciliation

- Bank statements should be reconciled to deposit/withdrawal activity daily.
- Bank adjustments should be researched, corrected, and documented. Any necessary journal entries must be clearly documented when reconciling, i.e., Who, What, Why, Where, and When.
- District/Agency fund accounts should be reconciled to bank statements.

**Internal Controls —**

Internal controls are to be established following basic internal control concepts and are to aid in the assurance that the accounting records are accurate and in conformity with generally accepted accounting principles.

Segregation of duties

- No individual is to have complete control in the handling of cash, i.e., no one individual should be responsible for actual handling of money, recording receipt of money, and the reconciliation of bank accounts/funds.
- Persons accounting for the pre-numbered receipt forms should not be cash handlers.
- Employees handling cash are to have work checked by another employee.
- Written procedures on all cashiering and cash control procedures are to be maintained such that the organization could continue to operate if a key employee is not at work.

Small office issues

If a department cannot segregate duties, compensating control procedures (e.g., monitoring or reviewing) will be put in place by the department manager or administrator. Compensating control procedures should be discussed with the Accounts Receivable Supervisor, Department of Executive Services, Finance and Business Operations Division, Financial Management Section.

**Miscellaneous —**

- Accounting records are to be neat, in ink, and in proper order.
- Accounting records are to be kept current.
- Journal entries are to be complete with correct accounts, detailed transaction descriptions, and will have an original signature approval. Approval will be by authorized personnel.

- A current organizational chart is to be maintained and followed.
- Records are to be stored in accordance with the State of Washington Records Retention Schedules and be consistent with King County retention guidelines.

8.0 RESPONSIBILITIES:

- 8.1 All applicable King County Departments, offices, and agencies that handle and receipt cash are to establish and implement their own internal cash handling and receipting procedures using these standards as a guideline.
- 8.2 All applicable King County Departments, offices, and agencies will comply with these guidelines, and are responsible for informing their employees of these policies and procedures.